

CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

17 October 1972

Mr. Wilfred H. Rommel
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Rommel:

Enclosed is the report on the legislative program of the Central Intelligence Agency for the First Session of the 93rd Congress in accordance with the requirements of Circular A-19.

You will note that the Agency does not have a legislative proposal for inclusion in the President's legislative program, and that the enclosed deals exclusively with amendments to the CIA Retirement Act.

25X1A

Sincerely,



John M. Maury
Legislative Counsel

Enclosure

(Classified Annex under Separate Cover)

CENTRAL INTELLIGENCE AGENCY
PROPOSED LEGISLATIVE PROGRAM FOR THE 1ST SESSION
OF THE 93RD CONGRESS

PART I -- PRESIDENT'S PROGRAM PROPOSALS

This Agency does not have a legislative proposal of sufficient importance for inclusion in the President's Legislative Program.

PART II -- ALL OTHER PROPOSALS

93-1. CIA Retirement Act - Survivor Benefits.

(a) The proposal would bring the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended, into conformity with liberalizations made by P. L. 91-658 and P. L. 92-243 in the Civil Service retirement system concerning survivor annuities for a widower, a spouse acquired after retirement and a child under petition for adoption, and retirement credit for periods of separation covered by Federal employees' compensation for work injuries. The CIA Retirement Act applies to only about one-third of our staff personnel, but the provisions relevant to this proposal were patterned after the Civil Service retirement system and should be adjusted to assure equitable treatment, especially in survivorship cases.

(b) Draft legislation embodying that aspect of the proposal based upon P. L. 91-658 was submitted to the Assistant Director for Legislative Reference by letter dated 29 April 1971. We have been informed that the draft legislation was being held in abeyance by OMB pending a decision on the retirement funding proposal described in 93-2 below.

(c) Draft legislation will be resubmitted to OMB for advice before the 93rd Congress convenes.

(d) The precedents for the proposal are found in P. L. 91-658 (House Report 91-1469; Senate Report 91-1092) and P. L. 92-243 (House Report 92-811; Senate Report 92-527). The subsequent enactment of P. L. 92-187 (House Report 92-415; Senate Report 92-528), which has general applicability to all Federal staff retirement systems, technically has overtaken the need for the liberalized benefit for widowers of deceased female participants, but in the interest of clarification a specific amendment to the CIA Retirement Act is in order.

(e) Cost Estimate. This proposal would not require any new budgetary authority as all payments would be made out of the CIA Retirement Fund and an actuarial analysis of the proposal indicates it would have a negligible impact upon normal costs.

93-2. CIA Retirement Act - Funding.

(a) This proposal would authorize for the CIA Retirement Act financing identical to that approved for the Civil Service system in P. L. 91-93 and the Foreign Service system in P. L. 91-201. The proposal provides permanent indefinite authority for payments into the fund of (1) interest on past unfunded liability and (2) annuity disbursements attributable to military service credit. It also authorizes appropriations for a 30-year amortization of newly created unfunded liability.

(b) Draft legislation embodying the proposal was submitted to the Assistant Director for Legislative Reference for advice by letter dated 26 June 1970. The draft legislation has been held in abeyance by OMB pending a decision on the definition of unfunded liability to be followed by all Federal staff retirement systems. Hopefully, this decision will be reached before the 93rd Congress convenes, and draft legislation will be submitted for advice as soon as the decision is made.

(c) Precedents for this proposal include P. L. 91-93 (House Report 91-158; Senate Report 91-339) concerning the Civil Service retirement system and P. L. 91-201 (House Report 91-716; Senate Report 91-701) concerning the Foreign Service retirement system.

(d) Cost Estimate. Obligation to be met by Secretary of Treasury:

<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
(Dollars in Thousands)				

Interest on unfunded liability
and military service credit... (See Classified Annex)

93-3. CIA Retirement Act - Retirement Ceiling.

(a) This proposal would remove the statutory ceiling on the number of retirements permitted under the CIA system through 30 June 1974. A retirement quota for the first ten years of the CIA Retirement Act, which was enacted in 1964, was imposed by Congress as a suitable mechanism for assuring the careful administration of the CIA retirement system during its formative years, since the system was to apply only to "Certain Employees" and security considerations prevented detailed statutory language on its application. In line with the need to reduce the Agency's work force as part of the Administration's Government-wide effort, and as a result of early retirement incentives which have Government-wide applicability, it is estimated that the quota will be exhausted 10-12 months before it expires of its own accord, and orderly personnel management requires some legislative relief. One of the principal purposes of the CIA Retirement Act is to achieve an overall reduction in age of those employees involved in activities where age is a vital factor in performance and this is being accomplished.

(b) Draft legislation will be submitted to OMB for advice before the 93rd Congress convenes.

(c) Similar relief was granted in P. L. 91-626 (House Report 91-1771; Senate Report 91-1419). At the time of the initial consideration of that legislation, the full extent of the reduction of work force and the impact of incentives for early retirement were not known.

(d) Cost Estimate. This proposal would not require any new budgetary authority as all payments would be made out of the CIA

Retirement Fund. The impact of the proposal on the Fund would be negligible. The outlay for annuities and the loss of contributions for retirements between 30 June 1973 and 1 July 1974 would be almost entirely offset by the larger annuities which otherwise would be payable if the retirements and the computation of annuity for those retirements were delayed until 1 July 1974.

25X1A

Approved For Release 2002/01/23 : CIA-RDP74B00415R000300090002-4

Approved For Release 2002/01/23 : CIA-RDP74B00415R000300090002-4

Approved For Release 2002/01/23 : CIA-RDP74B00415R000300090002-4

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	[REDACTED] 7-D-35 Headquarters		
2			
3			
4			
5			
6			

<input type="checkbox"/>	ACTION	<input type="checkbox"/>	DIRECT REPLY	<input type="checkbox"/>	PREPARE REPLY
<input type="checkbox"/>	APPROVAL	<input type="checkbox"/>	DISPATCH	<input type="checkbox"/>	RECOMMENDATION
<input type="checkbox"/>	COMMENT	<input type="checkbox"/>	FILE	<input type="checkbox"/>	RETURN
<input type="checkbox"/>	CONCURRENCE	<input type="checkbox"/>	INFORMATION	<input type="checkbox"/>	SIGNATURE

Remarks:

Projections for Voluntary and invol.
based on percentages (1970, 71, 72) in
relation to eligibles.

11/27

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.

DATE

Director of Personnel

5-E-56

Hqs.

x6825

12 OCT 1972

Approved For Release 2002/01/23 : CIA-RDP74B00415R000300090002-4

25X1A

Approved For Release 2002/01/23 : CIA-RDP74B00415R000300090002-4

Approved For Release 2002/01/23 : CIA-RDP74B00415R000300090002-4

Approved For Release 2002/01/23 : CIA-RDP74B00415R000300090002-4
TRANSMITTAL SLIP 11 OCT 1972

TO:		
[REDACTED] OLC		
ROOM NO.	BUILDING	
7D35	HQ	
REMARKS:		
FROM:		
[REDACTED], O/PPB		
ROOM NO.	BUILDING	EXTENSION
6E0702	HQ	5041

Approved For Release 2002/01/23 : CIA-RDP74B00415R000300090002-4
FORM NO. 7-72 1 FEB 55 241 REPLACES FORM 50-B WHICH MAY BE USED.

25X1A

25X1A

~~CONFIDENTIAL~~
e 2002/01/23: CIA-RDP

MEMORANDUM FOR THE RECORD

SUBJECT: The Agency's Annual Legislative Program--OMB Circulars
A-11 and A-19

1. Although perhaps a literal interpretation of OMB Circulars A-11 and A-19 would require the submission of the Agency's Annual Legislative Program along with the Agency's Annual Budget Request, the Office of Planning, Programming, and Budgeting (Mr. Briggs) and the Office of Legislative Counsel [REDACTED] agreed that there appeared to be no compelling reason why we should drastically alter our approach which has developed over the years, i.e., to submit a summary of the Agency proposals to OMB early in October of each year. We will attempt to incorporate these with the budget only if their enactment would affect materially the appropriation levels of the Agency for the budget year involved.

2. Early in the budget preparation cycle each year, the Office of Legislative Counsel will confer with the Office of Planning, Programming, and Budgeting in the event any legislative proposal appears to involve the expenditure of appropriated funds and in all cases will provide O/PPB with a courtesy copy of their annual letter to the Assistant Director for Legislative Reference at OMB for concurrent delivery to the Chief of the International Programs Division of OMB.

SA/D/PPB

25X1A

Approved For Release 2002/01/23 : CIA-RDP74B00415R000300090002-4

CONFIDENTIAL

012645

CLASSIFIED BY _____
EXEMPT FROM THE FULL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652 CATEGORY:
§ 5B(1), (2) OR (3) (check one or more)
AUTHORITY NOT DECLASSIFIED ON _____

0415R000300090008-4

(unless impossible, insert date or event)

L.L.M.
Did anyone
ever talk to OMB
re our position
on President's
Legislative Program.

G.L.L. J.H.B.
Yes, I did — they
recognize our problem,
and what we are doing
seems acceptable. R

LM

Good day M

Thanks

Jhl

5 October 1972

NOTE FOR GLC:

Today I met with [REDACTED] in connection with our legislative 25X1A program package for the 1st Session of the 93rd Congress and informally reviewed with him his 26 September memorandum and gave him my reaction as follows:

re paragraph 1 - no problem, but I explained the difference between proposed legislation and the Legislative Program.

re paragraph 2 - I told him that I didn't agree with his statement which infers that the Agency's legislative program is to be incorporated into "our budget submission," pointing out the distinction between the Legislative Program and the appropriation implications of a legislative program, if it has any.

re paragraph 3 - agree

re paragraph 4 - I explained the problems associated with soliciting legislative recommendations throughout the Agency on a program call basis and said that those items of significance should be known to policy levels, the deputy directorates and independent office heads, and that it has been our experience that the needs are made known to OGC, OLC and OPPB as appropriate. I explained that those proposals which would have obvious appropriation implications, such as buildings, would, if they came to our attention, be made known to OPPB.

25X1A [REDACTED] agreed on all points. He said that perhaps he was overly strong in the wording of some of his recommendations; that he agreed with our position entirely, and that it was Briggs' thought that we should not do any more than was absolutely necessary in this area. Simply put, I would conclude that we agreed that we were small enough and close enough so that normal effective communications make unnecessary, at this time, the establishment of any special bureaucratic procedure to identify all legislative needs and interests of the Agency.

LLM

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	Legislative Counsel 7-D-59 Headquarters		
2			
3			
4			
5			
6			
	ACTION	DIRECT REPLY	PREPARE REPLY
	APPROVAL	DISPATCH	RECOMMENDATION
	COMMENT	FILE	RETURN
	CONCURRENCE	INFORMATION	SIGNATURE
Remarks:			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
Director of Personnel 5-E-56 Hqs. x6825			

ADMINISTRATIVE -- INTERNAL USE ONLY

Approved For Release 2002/01/23 : CIA-RDP74B00415R000300090002-4

6 OCT 1972

MEMORANDUM FOR: Legislative Counsel

THROUGH : Deputy Director for Support *PCW*SUBJECT : Legislative Program of the CIA for the
1st Session of the 93rd CongressREFERENCE : [REDACTED] Memorandum For The Record,
same subject, dated 5 October 1972

25X1A

1. This memorandum responds to [REDACTED]'s request for review of the Agency's proposed legislative program for amendments to the CIA Retirement and Disability System.

25X1A

2. Except as discussed below, we concur in the proposed legislative program. We suggest that paragraph 93-3, CIA Retirement Act - Retirement Ceiling, indicate that we estimate the quota will be exhausted 10 to 12 months before it expires of its own accord. We suggest further that paragraph (c) of 93-3 include the thought that some factors which led to an increase in the number of voluntary retirements were not foreseeable at the time we sought an increase in quota from 400 to 800. Specifically, there was no way that we could have anticipated four cost-of-living adjustments in the first three years of the current quota period.

3. I have reviewed the Deputy General Counsel's specific proposal for amendments to CIARDS calling for a loss of annuity benefits when a CIARDS participant has violated his secrecy agreement. I recommend that it not be included in the legislative program at this time, for the following reasons:

a. We are attempting to obtain significant amendments to CIARDS: benefits comparable to those already available under the Civil Service Retirement System; improved funding; and most importantly, relief on quota. The quota proposal itself is crucial because unless some relief is obtained, eligible Agency employees and those who must be mandatorily separated will not be able to retire until 1 July 1974. Consequently, it is my view that no amendments to the CIA Retirement Act should be sought in the 93rd Congress which might serve as a deterrent to our obtaining quota relief and the other benefits.

ADMINISTRATIVE -- INTERNAL USE ONLY

Approved For Release 2002/01/23 : CIA-RDP74B00415R000300090002-4

The proposal to terminate annuity entitlement would undoubtedly be controversial, and, unlike our other proposals, would probably arouse serious differences of opinion among those senators and representatives who will be asked initially to review our legislative proposals. I think it is unwise to run that risk at a time when other important legislation is being sought.

b. There is also some question in my mind as to whether enactment of such a proposal would serve any real purpose. The Bureau of Retirement and Insurance, which administers the Civil Service Retirement System, advises that since 1961 when the so-called Hiss Act became effective there have been only six cases involving termination of annuities for reasons covered by that act. We are advised that the courts have overturned BRI's action in those six cases and all of the individuals concerned are now receiving annuities. Further, the Director, BRI has informally suggested that we not attempt to amend CIARDS to include a similar provision because he believes the Hiss Act will eventually be declared unconstitutional in view of the court decisions.

4. We recommend, therefore, that Section 93-4 of the proposed legislative program not be included at this time.

5. The statistical data requested by the Executive Director to support our request for increased quota will be submitted as soon as possible.



Director of Personnel

25X1A

ADMINISTRATIVE -- INTERNAL USE ONLY

Approved For Release

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
2002/01/23 CIA-RDP74B00415R000300090002-4			
CONFIDENTIAL SECRET			
OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	OGC, OPPB, OF, OP		
2			
3			
4			
5			
6			
	ACTION	DIRECT REPLY	PREPARE REPLY
	APPROVAL	DISPATCH	RECOMMENDATION
	COMMENT	FILE	RETURN
	CONCURRENCE	INFORMATION	SIGNATURE
Remarks: <p>Please indicate if you concur in the attached legislative program, including any comments that you might have and a recommendation on whether item 93-4 should be included.</p> <p>We would like to send a final package to OMB on Friday if possible.</p>			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
[REDACTED] OLC x6136			10-5-72
2002/01/23 CIA-RDP74B00415R000300090002-4			
CONFIDENTIAL SECRET			

Approved For Release

Approved For Release 2002/01/23 : CIA-RDP74B00415R000300090002-4

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	OGC		
2	LHM		
3			
4			
5			
6			
	ACTION	DIRECT REPLY	PREPARE REPLY
	APPROVAL	DISPATCH	RECOMMENDATION
	COMMENT	FILE	RETURN
	CONCURRENCE	INFORMATION	SIGNATURE
Remarks:			
<p>Please indicate if you concur in the attached legislative program, including any comments that you might have and a <u>recommendation on whether item 93-4 should be included.</u></p> <p>We would like to send a final package to OMB on Friday if possible.</p> <p>to 2 OK by OGC [Signature]</p>			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
[Redacted] OLC x6136			10-5-72

Approved For Release 2002/01/23 : CIA-RDP74B00415R000300090002-4

ADMINISTRATIVE-INTERNAL USE ONLY

5 October 1972

MEMORANDUM FOR THE RECORD

SUBJECT: Legislative Program of the CIA for the 1st Session
of the 93rd Congress

1. Attached is a draft of the Agency's legislative program for the 1st Session of the 93rd Congress. It has been prepared in accordance with the instructions in OMB Circular No. A-19 and incorporates all proposals received from the Deputy Directorates and independent offices, with the exception of the item commented upon in paragraph 6 below.

2. The purpose being served by this submission is to enable the Executive Office to consider items for inclusion in the President's budget, legislative program, and annual and special messages. In this connection, we are advising OMB that we do not have a legislative program of sufficient importance for inclusion in the President's program.

3. All proposals in the program relate to the CIA Retirement Act. We plan to include all proposals in one omnibus bill, but the OMB format requirements for legislative programs are easier met by treating them as four separate items.

4. Particular attention is invited to the cost estimate section for each proposal, which is a new requirement. [REDACTED], Office of Finance, will contact Mr. Kroll, in Treasury, to confirm the soundness and accuracy of the statements made and to obtain the figures for inclusion under item 93-2 dealing with funding. At this juncture we intend to treat these figures as classified. When the draft legislation is submitted to Congress, we will be facing the requirement (section 252(a) of the Legislation Reorganization Act of 1970 (P. L. 91-510)) that congressional committees include in the report on legislation five-year cost estimates, unless to do so is "impracticable." The outcome will depend on whether our committees believe that the reporting of cost estimates on the CIA Retirement Act is "impracticable" because of security considerations.

25X1A

ADMINISTRATIVE-INTERNAL USE ONLY

ADMINISTRATIVE INTERNAL USE ONLY

5. Technically, the OMB Circular requires the inclusion of all proposals under active consideration even if they have not received policy approval. With respect to 93-4, I have some misgivings about floating it with OMB without the Director's approval and I doubt that it has been sufficiently staffed out to make a recommendation to the Director at this time. Moreover, it is difficult to see how there could be an adverse reaction by OMB later on if 93-4 is not submitted at this time.

6. The proposal to provide protection to "intelligence data" is not included in the legislative program on the basis of advice from the General Counsel that it should be treated separately and that an appropriate recommendation will be made to the Director on this matter in the near future.



25X1A

Assistant Legislative Counsel

Distribution:

Orig - File
1 - OGC
1 - OPPB
1 - OP
1 - OF
1 - Chrn

OLC/LLM:smg (5 Oct 72)

ADMINISTRATIVE INTERNAL USE ONLY

DRAFT - LLM

4 Oct. 72

Mr. Wilfred H. Rommel
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Rommel:

Enclosed is the report on the legislative program of the Central Intelligence Agency for the First Session of the 93rd Congress in accordance with the requirements of Circular A-19.

You will note that the Agency does not have a legislative proposal for inclusion in the President's legislative program, and that its legislative program deals exclusively with amendments to the CIA Retirement Act.

Sincerely,

John M. Maury
Legislative Counsel

Enclosure

CENTRAL INTELLIGENCE AGENCY
PROPOSED LEGISLATIVE PROGRAM FOR THE 1ST SESSION
OF THE 93RD CONGRESS

PART I -- PRESIDENT'S PROGRAM PROPOSALS

This Agency does not have a legislative proposal of sufficient importance for inclusion in the President's Legislative Program.

PART II -- ALL OTHER PROPOSALS

93-1. CIA Retirement Act - Survivor Benefits.

(a) The proposal would bring the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended, into conformity with liberalizations made by P. L. 91-658 and P. L. 92-243 in the Civil Service retirement system concerning survivor annuities for a widower, a spouse acquired after retirement and a child under petition for adoption, and retirement credit for periods of separation covered by Federal employees' compensation for work injuries. The CIA Retirement Act applies to only about one-third of our staff personnel, but the provisions relevant to this proposal were patterned after the Civil Service retirement system and should be adjusted to assure equitable treatment, especially in survivorship cases.

(b) Draft legislation embodying that aspect of the proposal based upon P. L. 91-658 was submitted to the Assistant Director for Legislative Reference by letter dated 29 April 1971. We have been informed that the draft legislation was being held in abeyance by OMB pending a decision on the retirement funding proposal described in 93-2 below.

(c) Draft legislation will be resubmitted to OMB for advice before the 93rd Congress convenes.

(d) The precedents for the proposal are found in P. L. 91-658 (House Report 91-1469; Senate Report 91-1092) and P. L. 92-243 (House Report 92-811; Senate Report 92-527). The subsequent enactment of P. L. 92-187 (House Report 92-415; Senate Report 92-528), which has general applicability to all Federal staff retirement systems, technically has overtaken the need for the liberalized benefit for widowers of deceased female participants, but in the interest of clarification a specific amendment to the CIA Retirement Act is in order.

(e) Cost Estimate. This proposal would not require any new budgetary authority as all payments would be made out of the CIA Retirement Fund and an actuarial analysis of the proposal indicates it would have a negligible impact upon normal costs.

93-2. CIA Retirement Act - Funding.

(a) This proposal would authorize for the CIA Retirement Act financing identical to that approved for the Civil Service system in P. L. 91-93 and the Foreign Service system in P. L. 91-201. The proposal provides permanent indefinite authority for payments into the fund of (1) interest on past unfunded liability and (2) annuity disbursements attributable to military service credit. It also authorizes appropriations for a 30-year amortization of newly created unfunded liability.

(b) Draft legislation embodying the proposal was submitted to the Assistant Director for Legislative Reference for advice by letter dated 26 June 1970. The draft legislation has been held in abeyance by OMB pending a decision on the definition of unfunded liability to be followed by all Federal staff retirement systems. Hopefully, this decision will be reached before the 93rd Congress convenes, and draft legislation will be submitted for advice as soon as the decision is made.

(c) Precedents for this proposal include P. L. 91-93 (House Report 91-158; Senate Report 91-339) concerning the Civil Service retirement system and P. L. 91-201 (House Report 91-716; Senate Report 91-701) concerning the Foreign Service retirement system.

(d) Cost Estimate. Obligation to be met by Secretary of Treasury:

<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
(Dollars in Thousands)				

Interest on unfunded liability
and military service credit... (See Classified Annex)

93-3. CIA Retirement Act - Retirement Ceiling.

(a) This proposal would remove the statutory ceiling on the number of retirements permitted under the CIA system through 30 June 1974. A retirement quota for the first ten years of the CIA Retirement Act, which was enacted in 1964, was imposed by Congress as a suitable mechanism for assuring the careful administration of the CIA retirement system during its formative years, since the system was to apply only to "Certain Employees" and security considerations prevented detailed statutory language on its application. In line with the need to reduce the Agency's work force as part of the Administration's Government-wide effort, and as a result of early retirement incentives which have Government-wide applicability, it is estimated that the quota will be exhausted 10-12 months before it expires of its own accord, and orderly personnel management requires some legislative relief. One of the principal purposes of the CIA Retirement Act is to achieve an overall reduction in age of those employees involved in activities where age is a vital factor in performance and this is being accomplished.

(b) Draft legislation will be submitted to OMB for advice before the 93rd Congress convenes.

(c) Similar relief was granted in P. L. 91-626 (House Report 91-1771; Senate Report 91-1419). At the time of the initial consideration of that legislation, the full extent of the reduction of work force and the impact of incentives for early retirement were not known.

(d) Cost Estimate. This proposal would not require any new budgetary authority as all payments would be made out of the CIA

Retirement Fund and an actuarial analysis of the proposal indicates it would have a negligible impact upon normal costs.

PART III -- PROPOSAL UNDER CONSIDERATION

93-4. CIA Retirement Act - Loss of Annuity Benefits - Violation of Secrecy Agreement.

(a) A proposal which is under consideration but which has not reached policy levels would prohibit the payment of an annuity under the CIA Retirement Act in the event of a violation or breach of a secrecy agreement through the unauthorized disclosure of classified information.

(b) The precedent for the nonpayment of annuity under certain conditions is found in 5 USC 8311 to 8313 and in section 234(a) of the Central Intelligence Agency Retirement Act of 1964 (P. L. 88-643). The Director of Central Intelligence has the statutory responsibility for "protecting intelligence sources and methods from unauthorized disclosure" (50 USC 403). A proposal providing for the forfeiture of annuities in the event of a violation of a secrecy agreement signed by a participant in the CIA retirement system could be considered a reasonable and effective deterrent in the interest of the national security and in support of the Director's aforementioned responsibility.

(c) Cost Estimate. The proposal would not have any impact on normal costs of the CIA Retirement Act and if implemented in any one case would result in a possible savings to the fund even though the employee's contributions with interest would be returned to him or his beneficiaries.

*Dropped per
all information - CLE
5 Oct 1972
Covering
Came in by 55415
Dew -*

OLC 72-1049
Approved For Release 2002/01/23 : CIA-RDP74B00415R000300090002-4
TRANSMITTAL SLIP DATE 26 SEP 1972

TO: [REDACTED]		
ROOM NO. 7D35	BUILDING HQ	
REMARKS:		
FROM: [REDACTED]		
ROOM NO. 6E08	BUILDING HQ	EXTENSION 5041

Approved For Release 2002/01/23 : CIA-RDP74B00415R000300090002-4
FORM NO. 34 1 FEB 55 241 REPLACES FORM 34-1 WHICH MAY BE USED.

26 SEP 1972

MEMORANDUM FOR: Mr. Briggs

SUBJECT: CIA Legislative Program

25X1A

1. I have discussed the ramifications of OMB Circular A-19 (Revised) with [REDACTED] of the Office of Legislative Counsel and Hubert Lacey of the Office of Finance. We agree in principle that a literal interpretation of the provisions of A-19 as further discussed in Circular A-11 would seem to require that each Agency submit its proposed legislation at least at the same time as the Budget submission and probably as a part (albeit a separate part) of the Agency's Presidential Budget. This, however, is not a new requirement. The Agency evidently has never integrated the two although the Legislative Counsel has submitted memoranda to OMB concerning the Agency's Legislative Program generally in October of each year. Apparently this has satisfied OMB in the past although the memos for 1970 and 1971 seem to say we have no Legislative Program--only pending proposed legislation. I don't understand the difference.

2. My suggestion is that we do not at this late date attempt to incorporate the Agency's Legislative Program in our Budget submission which is due in OMB on October 1. The Agency's Legislative "Program" does not involve FY 1974 budget appropriation levels and really is, I think, only the consolidation of three proposals which are still pending, as I understand it, either in the Congress or at OMB:

OK
CAB

- (1) an amendment to the CIA Retirement Act of 1964 concerning retirement financing;
- (2) an amendment concerning benefits to annuitants; and
- (3) a request to increase the authorized quota.

3. I think OLC should go ahead as in past years and submit the proposed legislation or letter as early in October as possible but separate and distinct from our annual Budget submission. OK

4. However, we should attempt to find out if Jim Frey wants us to get in step with Circular A-19 and the other agencies in a little more orderly fashion. If so, our Program Call could include a requirement for submission to the Offices of General Counsel and Legislative Counsel of legislative proposals early in the year. Once internal Agency agreement has been reached on what if anything would be submitted to OMB and the Congress each year, (with the Director's approval, of course) the Budget Call in July could impose on OLC the requirement to submit the Legislative Program together with appropriate cost data as part of their responsibility and contribution to the Agency's present Budget submission. Phil

5. I don't see how we can do it for this year, nor does it seem necessary.

6. Incidentally, Section 261 (copy attached) of the Act of 1964 requires that the Director prepare estimates of the annual appropriations required to the CIA retirement fund. [REDACTED] assures me that this is done in the budget. But the same Section 261 also requires that the Director make actuarial evaluations of the fund at intervals of five years or more often if deemed necessary by him. The current legislative proposals concerning the retirement financing which is part of our current Legislative "Program" seem to be the result of an actuarial evaluation in conformance with this requirement. 25X1A

7. The next step, I guess, is to find out what [REDACTED] would suggest for future years. The alternative is to continue as we always have until OMB raises the issue with us. Will check with Taylor 25X1A

[REDACTED]

SA/D/PPB

Att

Distribution:

Orig - PPB Subject

① - [REDACTED] (OLC)

1 - [REDACTED] (OF)

CENTRAL INTELLIGENCE AGENCY RETIREMENT ACT
OF 1964 FOR CERTAIN EMPLOYEES, as amended ¹

(78 Stat. 1043, P.L. 88-643, October 13, 1964, 50 U.S.C.A. 403 Note;²

82 Stat. 902, P.L. 90-539, September 30, 1968;³

83 Stat. 847, P.L. 91-185, December 30, 1969;⁴

84 Stat. 1872, P.L. 91-626, December 31, 1970)⁵

December 31, 1956, or the expiration of five years or such primary service, whichever is later.

(b) Contributions shall not be required covering periods of leave of absence from the Agency granted a participant while performing active military or naval service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States.

Part G—Moneys

Estimate of Appropriations Needed

SEC. 261. The Director shall prepare the estimates of the annual appropriations required to be made to the fund, and shall cause to be made actuarial valuations of the fund at intervals of five years, or oftener if deemed necessary by him.

Investment of Moneys in the Fund

SEC. 262. The Director may, with the approval of the Secretary of the Treasury, invest from time to time in interest-bearing securities of the United States such portions of the fund as in his judgment may not be immediately required for the payment of annuities, cash benefits, refunds, and allowances, and the income derived from such investments shall constitute a part of such fund.

Attachment of Moneys

SEC. 263. None of the moneys mentioned in this Act shall be assignable either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process.

ROUTING AND RECORD SHEET

SUBJECT: (Optional)				
FROM: Legislative Counsel 7D43		EXTENSION 6121	NO.	
			DATE 13 OCT 1972	
TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		
1. Ex. Dir.		10/16		<p>The attached legislative program satisfies a yearly requirement from OMB for information to aid in the formulation of the President's budget, legislative program, and annual and special messages.</p> <p>You will note that (1) we are not proposing any item for inclusion in the President's legislative program and (2) all items relate to the CIA Retirement Act. (The surfacing of security legislation with OMB at this time would be premature.)</p> <p>Since the attached deals with the retirement ceiling problem, I thought you might be interested in reviewing at this time supporting data that [redacted] developed 25X1A (attached). In a general discussion with [redacted] the possibility of 25X1A relief was touched on lightly and he expressed no concern.</p> <p>The attached has been coordinated with OGC, OPPB, DDS, OF, and OP. The cost estimate material was coordinated with [redacted] OF, and he in turn 25X1A coordinated with the Actuary of our Retirement Fund, Mr. Kroll, at Treasury.</p> <p>In the past I've transmitted our legislative program to OMB and propose to do so this year if you approve.</p> <p>[redacted]</p> <p>ILLEGIB</p> <p>JOHN M. MAURY Legislative Counsel</p>
2.				
3.				
4. Leg Counsel				
5. L. L. M1				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				